



Bulletin

2014-01B

2013 LEGISLATION

TO: Local Officials

FROM: Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

DATE: February 2014

SUBJECT: Summary of 2013 Municipal Finance Law Changes

To keep you informed of legislative developments during the year, the Division of Local Services publishes on a periodic basis a **BULLETIN** summarizing any new laws enacted that affect municipal budgets and local tax assessment, administration and collection. Each issue contains a cumulative summary of session laws enacted to that time and indicates whether the Division has issued or will issue any further implementation guidelines.

Attached is the **2013** edition of the **LEGISLATIVE BULLETIN**. It includes any legislative changes affecting municipal finance found in Chapters 1 – 196 of the Acts of 2013.

Copies of these new laws can be obtained from the web site of the State Legislature: <http://www.malegislature.gov/Laws/SessionLaws/Acts/2013> or the State Bookstore located in Room 116 of the State House.

2013 LEGISLATION

Ch. 3 **FISCAL YEAR 2013 SUPPLEMENTAL BUDGET**

An Act Making Appropriations for Fiscal Year 2013 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects.

Effective February 15, 2013.

§ 5 Use of Community Preservation Funds for Artificial Turf. Grandfathers expenditures made from Community Preservation funds to acquire artificial turf fields before July 1, 2012. Communities are prohibited from spending the funds for that purpose on or after that date as a result of a 2012 amendment to G.L. c. 44B, § 5(b)(2). St. 2012, c. 139, § 77.

Ch. 38 **FISCAL YEAR 2014 STATE BUDGET**

An Act Making Appropriations for the Fiscal Year 2014 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements. *Effective July 1, 2013, unless otherwise noted.*

Item 1201-0100 Feasibility Study on Collection of Municipal Taxes. Requires the Department of Revenue, in consultation with the State Comptroller and Massachusetts Municipal Association, to study the feasibility of assisting cities and towns to collect their delinquent property taxes. Recommendations from the study are to be reported to the Executive Office for Administration and Finance and House and Senate Committees on Ways and Means by February 3, 2014.

§ 3 Local Aid Advances. Authorizes the State Treasurer to advance payments of FY14 local aid distributions to a city, town, regional school district or independent agricultural and technical school that demonstrates an emergency cash shortfall, as certified by the Commissioner of Revenue and approved by the Secretary of Administration and Finance.

§§ 46-49 Uniform Procurement Act. Increases from \$5,000 to \$10,000 the thresholds found in G.L. c. 30B, §§ 3, 4, 15 and 17 related to maintenance of procurement records, use of sound business practices for certain procurements, disposition of surplus supplies and execution of written contracts.

§ 71 Education Reform Waivers. Adds G.L. c. 70, § 6A, which codifies the process for cities, towns and regional school districts to apply for various adjustments in their annual minimum required contributions to schools under the Education Reform Act. Previously, these waivers were authorized in the state budget each year. Municipalities may seek adjustments if (1) non-recurring revenues were used to support the prior year operating budgets and those revenues are not available in the current year, (2) they have extraordinary non-school related expenses in the current year or (3) their current year municipal revenue growth factor is at least 1.5 times the statewide average and is deemed to be excessive. Regional school districts that used non-recurring revenues in the

prior year that are unavailable in the current year must seek waivers if selectmen in a town, the city council in a Plan E city or the mayor in all other cities, of a majority of the member municipalities requests them. If a regional school budget has already been approved by the members and a waiver is granted of any member's minimum required local contribution to the district, the use of that waiver must then be approved by the selectmen, the city council in a Plan E city or the mayor in all other cities, in a majority of the member municipalities. Requests for waivers must be made by October 1 of each year. See [Informational Guideline Release \(IGR\) 13-302, Annual Fiscal Year Waivers to Education Reform Spending Requirements and Minimum Required Local Contributions](#), issued July 2013.

Ch. 46 TRANSPORTATION FINANCE BILL

An Act Relative to Transportation Finance. *Effective July 24, 2013, unless otherwise noted.*

§§ 29-31, 39, 84 Taxation of Utility Corporations. *Effective as of January 1, 2014 for fiscal years beginning on or after July 1, 2014.* Repeals the separate treatment of utility corporations for state corporate excise purposes under G.L. c. 63, § 52A and treats them as business corporations under G.L. c. 63, § 39. With the exception of incorporated telephone companies subject to G.L. c. 166, utility corporations will also be treated as business corporations for local tax purposes under G.L. c. 59, § 5(16)(2) and will now be taxable for machinery used in the conduct of business. Previously, the only machinery taxable to utility corporations for local tax purposes was machinery used in manufacturing or supplying or distributing water. Machinery taxable to telephone corporations will continue to be limited to machinery used in manufacturing or supplying or distributing water. G.L. c. 59, § 5(16)(1). See [Bulletin 2013-05B, Revised Forms of List](#), issued November 2013.

§ 50 Taxation of Business Lessees of Massachusetts Bay Transportation Authority (MBTA). Amends G.L. c. 161A, § 24, which exempts property owned by the MBTA from state and local taxation, to make MBTA real property leased, used or occupied in connection with a business conducted for profit taxable to the lessees, users or occupants as if they were the owners of the real estate on January 1.

Last Act: Chapter 196 signed by the Governor on January 8, 2014.